

AGENDA
EXECUTIVE FINANCE COMMITTEE
December 2, 2015 at 1:30 P.M.

Location: Treasury Conference Room, KC Admin. Bldg., Room 610 (6th Floor)

Committee Members: Councilmember Joe McDermott, Chair, Dwight Dively, Director PSB; Ken Guy, Director FBOD; Caroline Whalen, County Administrative Officer

Staff: Scott Matheson, Treasury Operations Manager; Mike Smith, Chief Investment Officer; Christine Denis, Credit Analyst; Manny Cristobal, Financial Accounting Supervisor

AGENDA ITEMS

1. **Action:** Approval of Minutes of the October 28, 2015 Executive Finance Committee meeting (pages 2-3)
2. **Action: Interfund Loan of Surplus King County Cash (Chapter 4.24 of KC Code):** Approve the request for a seven-year line of credit to the KCIT Services Fund 5531 to establish an escrow for data center bond defeasance. Approve the amount of request up to \$11.4 million for the period of December 2015 to December 31, 2022 with repayments through existing KCIT rates. The amount requested will be reviewed every year based on projected cash flow for the period. (pages 4-7)
Bill Kehoe, CIO/KCIT Department Director; Christine Chou, KCIT CFO
3. **Action: Interfund Loan of Surplus King County Cash (Chapter 4.24 of KC Code):** Approve the request from the Public Health Fund (1800) to increase the dollar amount of their existing interfund loan to \$40 million from \$30 million. (Handout)
4. **Action:** Designate lending fund(s) for outstanding interfund loans where a lending fund has not been designated (Handout).
Cheryl Lee, Interim Chief Accountant
5. **Briefing:** October 2015 Investment Summary
 - Issuer Diversification , Credit Exposure and Compliance Report (page 8)
 - King County Investment Pool Yield & Duration versus Custom Benchmark (page 9)
 - Detailed Transaction Report - Investment Activity Summary (page 10)
 - King County Investment Pool Asset Allocation (page 11)
 - King County Investment Pool Maturity Distribution (page 12)
 - Investment Performance Review & Impaired Pool Summary (pages 13-21)
 - Interest Rate Summary (page 22)*Mike Smith, Chief Investment Officer*
6. **Action:** Committee's direction for investment of idle cash balances of specific County funds not needed for immediate expenditure.

Staff Recommendation: Direct the Treasury Section to target the maximum average duration of the King County Investment Pool at the 0.8 to 1.3 year range.

Mike Smith, Chief Investment Officer
7. **Briefing:** Interfund Borrowing for October 2015 (page 23)
 - Interfund Interest Report – County Tier 2 Funds
 - Pooled Tier 1 County Funds with Negative Cash Balances
 - Excluded County Funds with Negative Balances – Tier 2 Funds Not Paying Interest
 - Payroll Revolving Fund (5540) Cash Balance (page 24)*Manny Cristobal, Financial Accounting Supervisor*
 - Interfund Loans Among District & Non-County Funds (page 25)
 - Interfund Borrowings – EFC Approved Loans (page 26)*Mike Smith, Chief Investment Officer*

OTHER BUSINESS

ADJOURNMENT

MINUTES
EXECUTIVE FINANCE COMMITTEE
October 28, 2015

The Executive Finance Committee (EFC) Meeting was held October 28, 2015 at 1:30 and adjourned at 2:40 p.m.

Members Present

Joe McDermott
Aaron Rubardt (for
Dwight Dively)
Tom Koney (for
Caroline Whalen)
Ken Guy

Others Present

Rachelle Celebrezze
Manny Cristobal
Dan Kaplan, IPAC
Scott Matheson
John Molloy, PFM (phone)
Lisa Joyner, USB (phone)
Yvonne Blumenthal, USB
Paul Wentink, USB

Others Present -

Continued

Mike Smith
Christine Denis
Dave Reich
Peggy Pahl
Jenifer Merkel

Members Absent

Caroline Whalen
Dwight Dively

ACTION ITEMS

1. **Minutes** – The Committee unanimously approved the Minutes of the September 23, 2015 Executive Finance Committee meeting.
2. **Investment Direction** – The Committee unanimously approved the Treasury recommendation to maintain the maximum effective duration of the King County Investment Pool in the 0.8 to 1.3 year range.

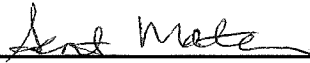
BRIEFINGS

1. **Community Reinvestment Plan for King County** – US Bank presented a report summarizing its commitment to providing lending, investment, and services to low-to-moderate income people within King County. They also discussed their commitment to providing financial education programs to students in K-12 schools, and they expressed their willingness to work with King County on setting goals for the future.
2. **Quarterly Review of Investment Pool** – John Molloy of PFM presented the 3rd quarter review of the King County Investment Pool. He noted that the pool had ample liquidity, good diversification, high credit quality, and was in compliance with all policies. He also observed an increase in the allocation to bank notes and commercial paper holdings. He further remarked that bank notes and commercial paper offered a yield advantage over Treasuries and Agencies, while also being strong credits. He noted that the pool's duration was somewhat shorter than last quarter, but the pool was able to maintain its yield by utilizing more bank notes and commercial paper. Finally, he commented that the pool's credit quality gave him no concerns, and the allocation decisions made by the investment team made sense.
3. **Update on Municipal Advisor Rule** – The Committee was informed that the new IRMA letter that had been presented to Piper Jaffray and JP Morgan for review had been accepted by both parties, and we have resumed using JP Morgan as an investment dealer.
4. **Credit List Overview** – The Committee was provided an update on issuers that are on the current credit list. They were also provided with the total amount of bank notes and commercial outstanding, and additionally, they were given an estimate of the incremental income that will be generated over Treasury securities for a 6 year period.
5. **September 2015 Investment Summary** – The Committee was provided a summary report showing the pool was in compliance with all its policies, reviewed investment performance, and monthly investment activity. In addition, the Committee reviewed the distribution of investment holdings by maturity, security type, credit rating, and issuer. The Committee was updated on the payments received from the VFNC Trust investment and informed that the final payment from the Rhinebridge investment has been delayed because not all the Deeds of Consent had been returned. Rhinebridge's Receiver is hopeful that this situation can be resolved before year-end. Finally, the Committee was briefed on the current interest rate and economic environment.

6. **September 2015 Interfund Borrowing** – The Committee was provided a review of both County and non-County interfund borrowing. The Committee was presented additional analysis on the negative balance in the Payroll Revolving Fund (5540). After the members reviewed this material, they requested that two items be prepared for the next meeting: a proposed solution to this issue and an estimate of the dollar cost to the general fund.

OTHER BUSINESS

None



Scott Matheson, Treasury Manager



November 24, 2015

TO: Mike Smith, DES Investment Officer

FM: Bill Kehoe, Chief Information Officer

A handwritten signature in black ink, appearing to be "BK" or "BKH", written over the name "Bill Kehoe".

RE: Request for Executive Finance Committee (EFC) Approval on Internal Borrowing

I would like to request EFC's approval for an automated negative borrowing for KCIT Services Fund 5531 to cover potential negative fund balance for up to \$11.4M during the period of December 1, 2015 – December 31, 2022.

Background

King County leases data center space from Sabey Corporation. As the technology in the County is moving toward servers' virtualization and cloud technology, the amount of space needed for the data center is also decreasing. In addition, the completion of the mainframe rehost project is also freeing up a large amount of space at the data center.

The Data Center operation cost, including the lease cost is mainly funded by County agencies based on the rack space occupied. As the space is getting smaller, the operations will not be able to cover the current cost without increasing the service rates charged to the participated agencies. To avoid rates increase and deficit in the operation, KCIT and FMD approached Sabey for the possibility to reduce the space thus reducing the lease amount.

Sabey is willing to take over the unused space and planning to rent the space to other customers including private companies. However, King County data center space tenant improvement and the move cost were funded by LTGO and Build America bonds which have limited the use of space to only government and non-profit organizations.

In order for the County to proceed with this effort, the County has to defease the bond by creating an escrow account with the same amount as the remaining bond obligation and its interest. The exact amount to defease is depending upon the space usage analysis. The County's bond counsel is working on the calculation to derive the final amount to defease.

Internal Borrowing Request

KCIT Service Fund 5531 will be the borrowing fund. Based on the outyear fund balance projections and the \$15.2M amount to defease, KCIT Services Fund will need to borrow up to \$11.4M; the highest projected negative fund balance which is expected to occur in 2016.

Plan for Repayments

KCIT will repay the loan and gradually offset the negative fund balance using the collections from current KCIT rates of \$1.1M/year and collections from future rates of \$2.5M/year starting in 2020 after the Unified Communication (UC) bond is paid off in 2019. Rates collection for this will be repurposed to make payments for the loan until 2022.

The attached file showed the overall proposed payment plan for this internal borrowing request.

I appreciate your consideration on this request. Please feel free to contact Christine Chou, KCIT Chief Financial Officer at 263-7845 should you have any questions or need additional information.

Cc: Scott Matheson, FBOD Treasury Manager
Christine Chou, KCIT CFO

Attachment

KCIT FUND BALANCE AND LOAN PAYMENTS
CASH FLOW ANALYSIS - PROPOSED PAYMENTS ON INTERFUND BORROWING

	Year	KCIT Fund Balance	Bond Defease	Current KCIT rates For KCIT Bond ³	CX Payments for FMD Bond ¹	New KCIT Rates (starts after UC Bond paid off) ²	Total Payments	Loan Balance	KCIT Fund Balance
	2015	4,646,765	(15,234,476)				-	(15,234,476)	(10,587,711)
1	2016	2,833,184		1,080,969			1,080,969	(14,153,506)	(11,320,322)
2	2017	2,235,568		1,100,000			1,100,000	(13,053,506)	(10,817,938)
3	2018	1,637,952		1,100,000			1,100,000	(11,953,506)	(10,315,554)
4	2019	1,741,739		1,100,000			1,100,000	(10,853,506)	(9,111,767)
5	2020	1,845,526		1,100,000		2,500,000	3,600,000	(7,253,506)	(5,407,980)
6	2021	2,000,000		1,100,000		2,500,000	3,600,000	(3,653,506)	(1,653,506)
7	2022	2,000,000		1,153,506		2,500,000	3,653,506	(0)	2,000,000
	2023	2,000,000						(0)	2,000,000
	2024	2,000,000					-	(0)	2,000,000

	DC Bond Balance 2015	Interest 2016 - 2020	Total to Defease ⁴
1-Dec	8,120,000	618,426	8,738,426
1-Dec	5,005,000	1,491,050	6,496,050
	13,125,000	2,109,476	15,234,476

Notes:

¹ FMD bond payments have been paid for by CX fund. CX will discontinue the payments of \$741K/year. FMD bond was a 20 year bond due in 2030

² Unified Communication (UC) bond is scheduled to be paid off in 2019. This is currently recovered by the savings from UC operations. Under this plan, this rate will be repurposed to pay back the data center loan.

³ Current KCIT bond was scheduled to be paid off in 2020

⁴ Total amount to defease may be less and the final amount is being calculated by the bond counsel

APPENDIX III – COUNTY FUND APPLICATION FORM



King County

COUNTY FUND APPLICATION FOR INTERFUND LOAN

COUNTY FUND MANAGER CONTACT INFORMATION

Fund name and number: KCIT Services/Fund 5531

Fund Manager: Bill Kehoe

Fund Manager: CIO

Contact name (if different): Christine Chou

Contact title: CFO

Phone: 263-7845

Fax:

BORROWING REQUEST DETAILS

Fund name: KCIT Services

Fund number: 5531

Term of loan requested (projected start and end date): 12/1/2015 – 12/31/2022

Maximum negative daily cash balance during term of loan (estimated): \$11.4M

ADDITIONAL INFORMATION

Why is this borrowing necessary? KCIT is working with Sabey Corp to reduce lease payments for the data center due to reduction in needed space. Sabey is interested and has a plan to lease the space to private organizations. The tenant improvement cost was funded by a 20 year bond that limits the use of the space to government and non-profit agencies. In order to allow the use of space by private agencies, the County must create an escrow fund and defease the bond. This interfund borrowing is necessary to provide a temporary cash for the escrow fund.

Is this a "Funds Transfer Loan" as defined in Section 5.9 of the County's Interfund Loan Policy? No

If so, provide both the fund name and fund number of the loaning fund.

What will be the source of the funds to repay the interfund loan? KCIT Internal Service Central Rates

FUND MANAGER AUTHORIZED SIGNATURE (REQUESTING INTERFUND LOAN)

Signature:

Print Name: William Kehoe

Title: Chief Information Officer

Date:

11/24/15

Please include with this application a monthly cash flow forecast showing the fund's cash needs over the expected borrowing period.

Interfund loan approved? Yes ☐
No ☐

Date Approved/Denied:

Loan interest rate:

Maximum interfund loan amount approved \$

Repayment date:

Other special loan terms or comments:

KING COUNTY INVESTMENT POOL
ISSUER DIVERSIFICATION, CREDIT EXPOSURE and COMPLIANCE REPORT
10/31/15

The investment pool complies with all constraints listed in Schedule 1 of the investment policy

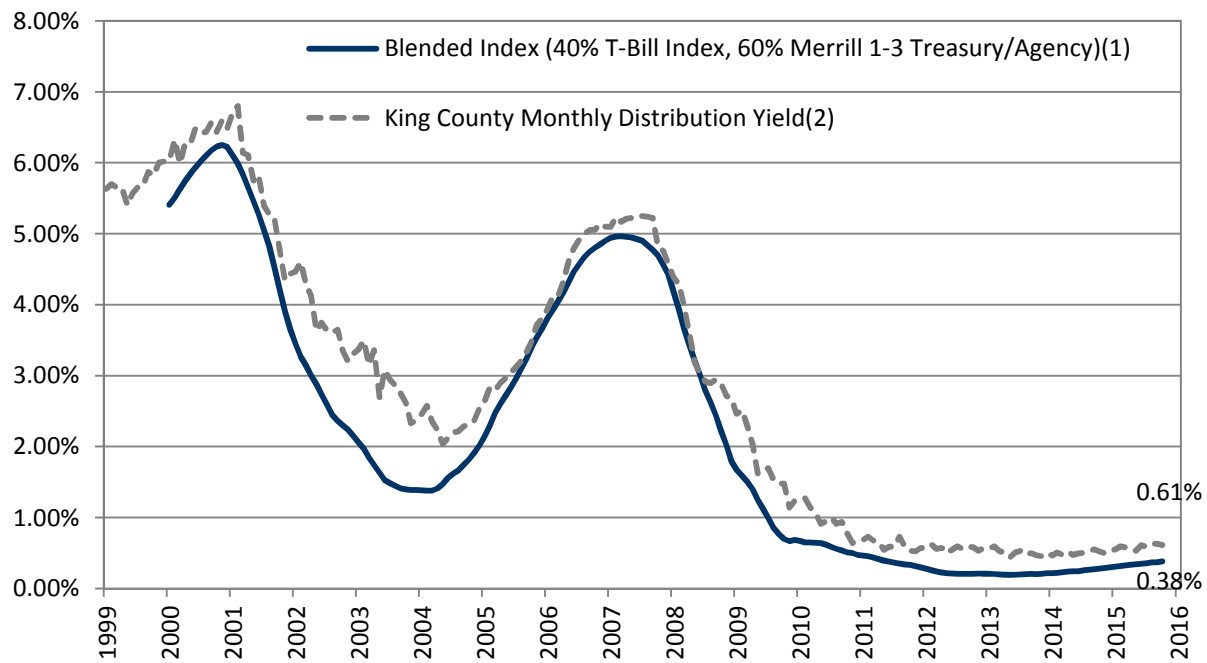
	Book Value	% of Portfolio	Issuer Limits/Restrictions	Credit Agency Ratings			Minimum Credit Restrictions	Maximum Maturity
				S&P	Moody's	Fitch		
U.S. TREASURIES		100%	NONE				NONE	5 Years
U.S. T-Bills or T-Notes	\$2,125,150,981.78	30.7%	In Compliance	AA+	Aaa	AAA	In Compliance	In Compliance
U.S. AGENCIES		100%	35% per agency across investment type				NONE	5 Years
Federal Home Loan Bank (FHLB)	\$828,862,918.11	12.0%	In Compliance	AA+	Aaa	AAA	In Compliance	In Compliance
Federal National Mortgage Association (FNMA)	\$318,504,807.10	4.6%	In Compliance	AA+	Aaa	AAA	In Compliance	In Compliance
Federal Home Loan Mortgage Corporation (FHLMC)	\$465,568,715.95	6.7%	In Compliance	AA+	Aaa	AAA	In Compliance	In Compliance
Federal Farm Credit Bank (FFCB)	\$1,122,107,183.85	16.2%	In Compliance	AA+	Aaa	AAA	In Compliance	In Compliance
U.S. AGENCY MORTGAGE BACKED SECURITIES		Not to exceed 25%	35% per agency				NONE	5 Year Average Live
CMO Agencies FNMA	\$7,020,151.71	0.1%	In Compliance	AA+	Aaa	AAA	In Compliance	In Compliance
MUNICIPAL BONDS - GENERAL OBLIGATIONS		Not to exceed 20%	Not to exceed 5%				A or better	5 Years
	\$0.00	0.0%	In Compliance				In Compliance	In Compliance
REPURCHASE AGREEMENTS		100.0%	Not to exceed 25% per dealer				A1/P1/F1⁽¹⁾⁽²⁾	60 Days
Wells Fargo Securities, Inc. Tri-party Repo	\$150,000,000.00	2.2%	In Compliance	A-1+	N/A	N/A	In Compliance	In Compliance
REVERSE REPURCHASE AGREEMENTS		Not to exceed 20%	Not to exceed 5% per dealer				A1/P1/F1⁽¹⁾	6 Months
	\$0.00	0.0%	In Compliance					
LOCAL GOVERNMENT INVESTMENT POOL		Not to exceed 25%	State of WA LGIP only				NONE	N/A
Washington State Treasurer's LGIP	\$456,979,910.91	6.6%	In Compliance	N/A	N/A	N/A		
BANKER'S ACCEPTANCES		Not to exceed 25%	5% per issuer across investment type				A1/P1/F1⁽³⁾	180 Days
	\$0.00	0.0%	In Compliance					
OVERNIGHT DEPOSITS		100%	NONE				COLLATERALIZED	
US Bank	\$293,559,874.07	4.2%						
Key Bank	\$9,532,821.55	0.1%						
Bank of America	\$324,158.87	0.0%						
CERTIFICATES OF DEPOSIT		Not to exceed 25%	5% per issuer across investment type				NONE	1 Year
		0.0%	In Compliance					
COMMERCIAL PAPER		Not to exceed 25%	5% per issuer across investment type				A1/P1/F1, If >100 days A or better	270 Days
JOHNSON & JOHNSON	\$36,098,856.83	0.5%	In Compliance	A-1+	P-1	F1+	In Compliance	In Compliance
APPLE INC	\$126,841,166.88	1.8%	In Compliance	A-1+	P-1	NR	In Compliance	In Compliance
UNITED PARCEL SERVICE	\$94,979,733.33	1.4%	In Compliance	A-1	P-1	NR	In Compliance	In Compliance
MICROSOFT	\$49,990,000.00	0.7%	In Compliance	A-1+	P-1	F-1+	In Compliance	In Compliance
BANK CORPORATE NOTES		Not to exceed 20%	5% per issuer across investment type				A or better⁽³⁾	5 Years
WELLS FARGO BANK N.A.	\$126,667,397.26	12.1%	In Compliance	A+	Aa3	A+	In Compliance	In Compliance
US BANK N.A.	\$124,030,351.39	1.8%	In Compliance	AA-	A1	AA-	In Compliance	In Compliance
TORONTO DOMINION	\$91,817,376.99	1.3%	In Compliance	AA-	Aa1	AA-	In Compliance	In Compliance
BANK OF MONTREAL	\$40,878,767.05	0.6%	In Compliance	A+	Aa3	AA-	In Compliance	In Compliance
BANK OF NOVA SCOTIA	\$133,066,845.98	1.9%	In Compliance	A+	Aa2	AA-	In Compliance	In Compliance
ROYAL BANK OF CANADA	\$132,601,991.36	1.9%	In Compliance	AA-	Aa3	AA	In Compliance	In Compliance
PNC BANK	\$73,475,500.36	1.1%	In Compliance	A	A2	A+	In Compliance	In Compliance
BANK OF AMERICA	\$118,864,919.06	1.7%	In Compliance	A	A1	A+	In Compliance	In Compliance
	\$6,926,924,430.39	100.0%						

ADDITIONAL PORTFOLIO LEVEL REQUIREMENTS	Actual	Status
Effective Duration Less Than 1.5 Years	0.884	In Compliance
40% of Portfolio Value 12 Months or Less	64.9%	In Compliance
Corporate Exposure Not Greater Than 50%	15.3%	In Compliance

Note:
(*) = credit watch
(-) = negative outlook
(+) = positive outlook

- (1) Must be rated by at least one nationally recognized rating agency
(2) Also backed by collateral
(3) Must be rated by at least 2 nationally recognized rating agencies

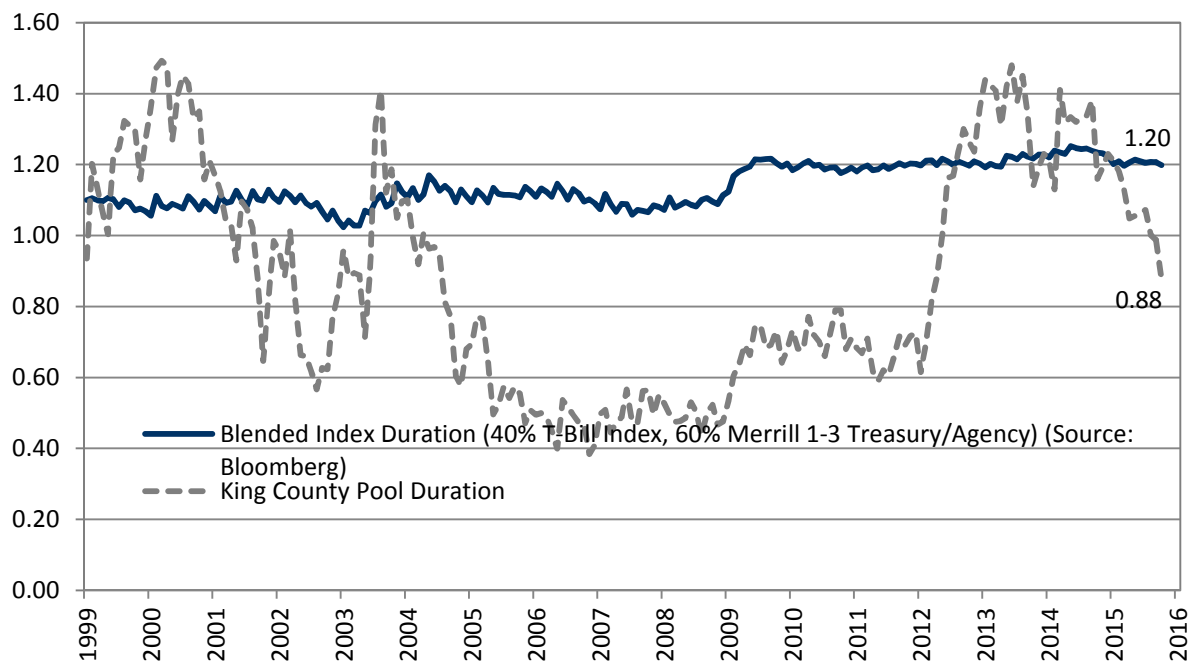
King County Monthly Distribution Yield Versus Custom Index



(1) Calculation for index return adjusted from coupon return to the 12-month moving average of the index's effective yield. (Source: Bloomberg)

(2) Does not include negative distributions from the Impaired Pool

King County Monthly Duration Versus Custom Index



DETAIL TRANSACTION REPORT



October Transactions

DESCRIPTION	AVG RATE	AVG PAR VALUE
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PURCHASES

TRI PARTY REPO	0.09	191,857,142.86
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DESCRIPTION	COUPON	MATURITY	SETTLED	BK YLD	PAR VALUE	BOOK VALUE	GAIN/(LOSS)
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PURCHASES

APPLE INC	.000	01/04/2016	10/06/2015	.160	50,000,000.00	49,980,000.00	
MICROSOFT CORP	.000	12/16/2015	10/07/2015	.160	50,000,000.00	49,984,444.44	
FFCB DISCOUNT NT	.000	09/19/2016	10/16/2015	.341	65,000,000.00	64,791,891.67	
APPLE INC	.000	01/05/2016	10/16/2015	.150	26,871,000.00	26,861,931.04	
FFCB DISCOUNT NT	.000	09/06/2016	10/16/2015	.341	90,000,000.00	89,722,900.00	
UNITED PARCEL	.000	01/04/2016	10/20/2015	.120	45,000,000.00	44,988,600.00	
WELLS FARGO BANK	.479	06/02/2016	10/20/2015	.439	60,000,000.00	60,015,000.00	
JP MORGAN CHASE	5.875	06/13/2016	10/22/2015	.915	15,025,000.00	15,500,541.25	
FFCB DISCOUNT NT	.000	08/03/2016	10/23/2015	.321	44,000,000.00	43,888,533.33	
Royal BK Canada	.556	12/16/2015	10/26/2015	.246	11,100,000.00	11,104,773.00	
FFCB DISCOUNT NT	.000	10/12/2016	10/27/2015	.371	51,000,000.00	50,816,017.50	
FFCB DISCOUNT NT	.000	09/16/2016	10/27/2015	.351	71,000,000.00	70,775,659.72	
ROYAL BK CANADA	1.200	01/23/2017	10/28/2015	.929	34,067,000.00	34,180,102.44	
BANK OF MONTREAL	1.300	07/14/2017	10/28/2015	1.073	5,560,000.00	5,580,294.00	
FHLB DISCOUNT NT	.000	10/27/2016	10/29/2015	.371	17,700,000.00	17,633,782.33	
JOHNSON & JOHNSON	.000	11/20/2015	10/29/2015	.060	36,100,000.00	36,098,676.33	
FFCB DISCOUNT NT	.000	06/16/2016	10/29/2015	.321	50,000,000.00	49,897,333.33	
FFCB DISCOUNT NT	.000	07/21/2016	10/29/2015	.351	100,000,000.00	99,741,388.89	
FFCB DISCOUNT NT	.000	09/07/2016	10/29/2015	.391	50,000,000.00	49,829,916.67	
BANK NOVA SCOTIA	1.100	12/13/2016	10/30/2015	.789	18,186,000.00	18,248,832.63	
FRE DISCOUNT NT	.000	07/05/2016	10/30/2015	.311	86,730,000.00	86,544,036.43	
US TREASURY NOTE	.625	04/30/2018	10/30/2015	.924	50,000,000.00	49,630,859.38	
US TREASURY NOTE	.750	02/28/2018	10/30/2015	.884	50,000,000.00	49,845,703.13	
UNITED PARCEL	.000	01/04/2016	10/30/2015	.120	50,000,000.00	49,989,000.00	
FFCB DISCOUNT NT	.000	04/06/2016	10/30/2015	.260	35,000,000.00	34,959,808.33	
FFCB DISCOUNT NT	.000	08/16/2016	10/30/2015	.361	100,000,000.00	99,709,000.00	
FFCB DISCOUNT NT	.000	09/26/2016	10/30/2015	.401	35,000,000.00	34,870,888.89	
LGIP	.187	11/01/2015	10/31/2015	.187	72,730.29	72,730.29	

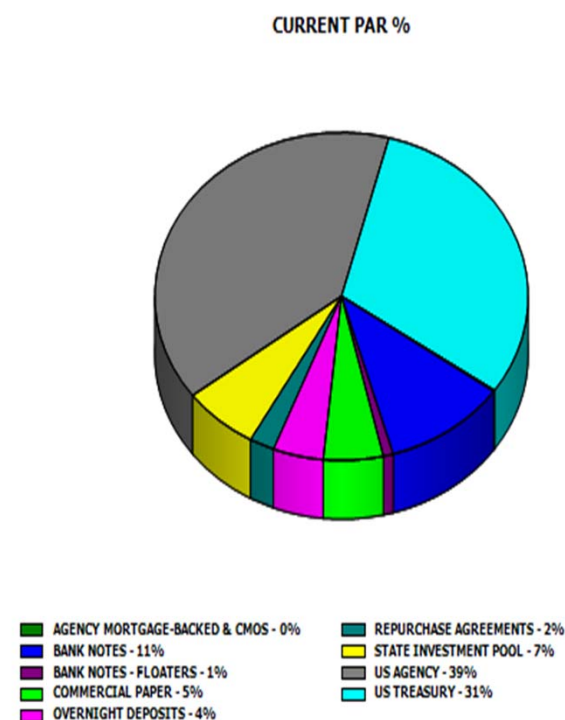
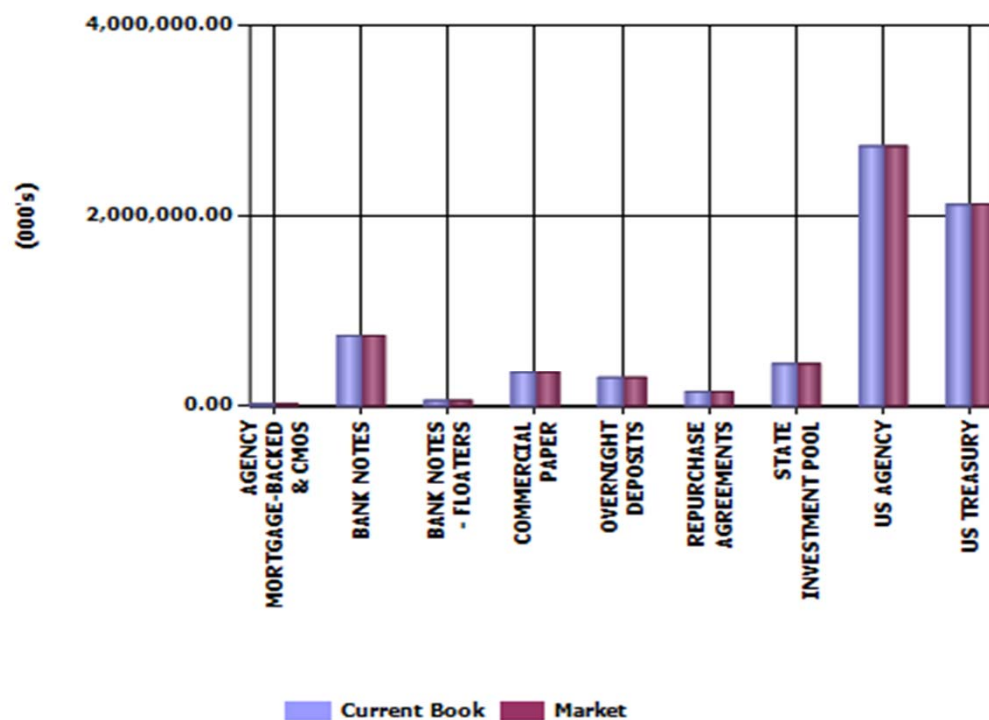
TOTAL PURCHASES	1,297,411,730.29	1,295,262,645.02
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KING COUNTY INVESTMENT POOL AS OF OCTOBER 31, 2015



ASSET ALLOCATION

Assets (000's)	Current Par	Current Book	Current Market	Mkt/ Cur Book	Yield
AGENCY MORTGAGE-BACKED & CMOS	6,904.05	7,020.15	7,477.76	106.52%	4.34%
BANK NOTES	743,500.00	747,046.47	747,434.29	100.05%	1.22%
BANK NOTES - FLOATERS	60,000.00	60,014.20	59,997.60	99.97%	0.44%
COMMERCIAL PAPER	357,971.00	357,732.53	357,752.55	100.01%	0.20%
OVERNIGHT DEPOSITS REPURCHASE	303,416.85	303,416.85	303,416.85	100.00%	0.00%
AGREEMENTS	150,000.00	150,000.00	150,000.00	100.00%	0.10%
STATE INVESTMENT POOL	456,979.91	456,979.91	456,979.91	100.00%	0.19%
US AGENCY	2,735,102.00	2,735,043.63	2,737,166.28	100.08%	0.46%
US TREASURY	2,125,000.00	2,125,150.98	2,129,931.55	100.22%	0.73%
Totals (000's):	6,938,873.82	6,942,404.74	6,950,156.80	100.11%	0.57%



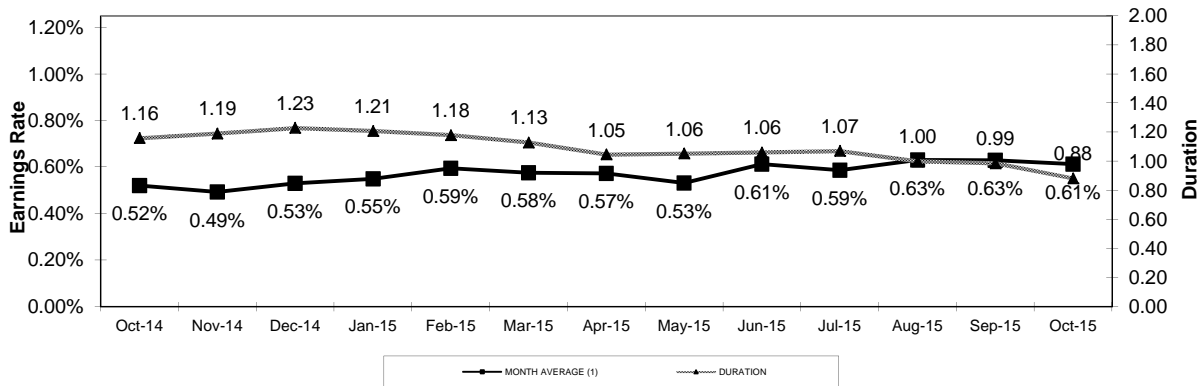
KING COUNTY INVESTMENT POOL

MATURITY DISTRIBUTION
AS OF 10/31/2015

<u>CALL/MATURITY</u>	<u>DATE RANGE</u>	<u>NO OF INV</u>	<u>BOOK VALUE</u>	<u>%</u>	<u>CUM %</u>
0 TO 1 MONTHS	11/01/15 - 12/03/15	10	1,195,429,776.16	17.2%	17.2%
1 TO 3 MONTHS	12/04/15 - 01/31/16	13	581,514,504.81	8.4%	25.6%
3 TO 6 MONTHS	02/01/16 - 04/30/16	21	944,903,545.17	13.6%	39.2%
6 TO 12 MONTHS	05/01/16 - 10/31/16	39	1,773,686,787.43	25.5%	64.8%
12 TO 24 MONTHS	11/01/16 - 10/31/17	44	1,615,194,185.68	23.3%	88.0%
24 TO 36 MONTHS	11/01/17 - 10/31/18	21	729,614,083.92	10.5%	98.5%
36 TO ** MONTHS	11/01/18 -	7	102,061,852.67	1.5%	100.0%
GRAND TOTALS		155	6,942,404,735.84		

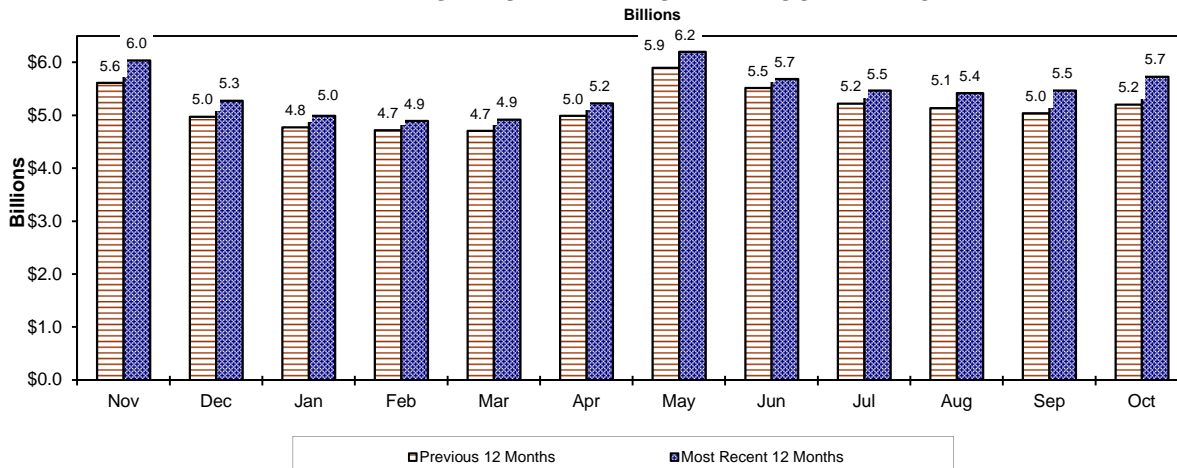
KING COUNTY INVESTMENT POOL

EARNINGS DISTRIBUTION RATE & EFFECTIVE DURATION



(1) Not adjusted yet for realized losses on commercial paper investments.

AVERAGE MONTHLY INVESTMENT POOL BALANCE



KC GENERAL FUND YTD INTEREST EARNINGS ⁽³⁾

October 31, 2015

	<u>BUDGET (1)</u>	<u>ACTUAL</u>	<u>DIFFERENCE</u>
YTD AVG BALANCE (millions)	\$160	\$148	(\$12.2)
YTD YIELD	0.54%	0.57%	0.04%
INTEREST DISTRIBUTION (\$)	\$718,389	\$706,904	(\$11,486)
AUTOMATIC INTEREST (\$)	\$0	\$0	\$0
TOTAL INTEREST (\$)	\$718,389	\$706,904	(\$11,486)

YTD POOL FEE REVENUE ⁽³⁾

	<u>BUDGET</u>	<u>Collected (2)</u>	<u>Potential Rebate</u>
DIRECT COST FEE DUE TO GF	\$500,000	\$1,061,991	\$561,991
DIRECT COST FEE TO FBOD	\$18,234	\$63,481	\$45,247
TOTAL YTD DIRECT POOL FEES	\$518,234	\$1,125,472	\$607,238

	<u>BUDGET</u>	<u>Actual</u>	<u>Difference</u>
CASH MGMT FEE TO GF	\$0	\$369,047	N/A
CASH MGMT FEE TO FBOD	\$6,375	\$6,427	\$52
TOTAL YTD CASH MGMT FEES	\$6,375	\$375,475	\$369,100

YTD TOTAL POOL DISTRIBUTION	\$26,514,639
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(1) 2015 annual budget for interest earnings is \$1,000,000.

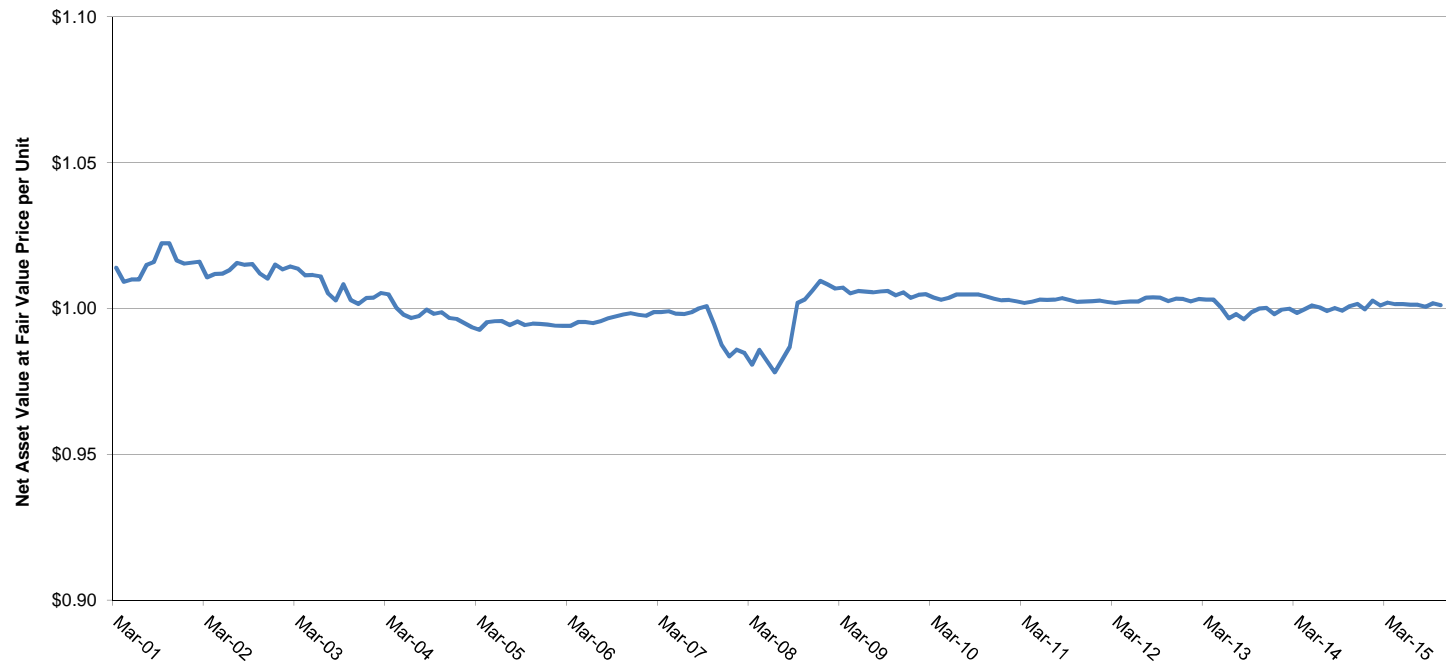
(2) Currently collecting 2.5 basis points for actual expenses, but will rebate difference between collected and actual expense when the fiscal close

(3) Updated through May, June data not finalized.

King County Investment Pool Fair Value Report

	08/31/15	09/30/15	10/31/15
Net Assets (1)			
Net Assets held in trust for pool participants	<u>\$ 5,432,676,406.87</u>	<u>\$ 5,590,884,355.62</u>	<u>\$ 6,647,966,459.29</u>
Net assets consist of:			
Participant units outstanding (\$1.00 par)	\$ 5,428,939,230.51	\$ 5,580,661,140.42	\$ 6,640,214,394.52
Undistributed and unrealized gains(losses)	<u>\$ 3,737,176.36</u>	<u>\$ 10,223,215.20</u>	<u>\$ 7,752,064.77</u>
Net Assets	<u>\$ 5,432,676,406.87</u>	<u>\$ 5,590,884,355.62</u>	<u>\$ 6,647,966,459.29</u>
Total Pool -- Net asset value at fair value price per unit	<u>\$1.0007</u>	<u>\$1.0018</u>	<u>\$1.0012</u>

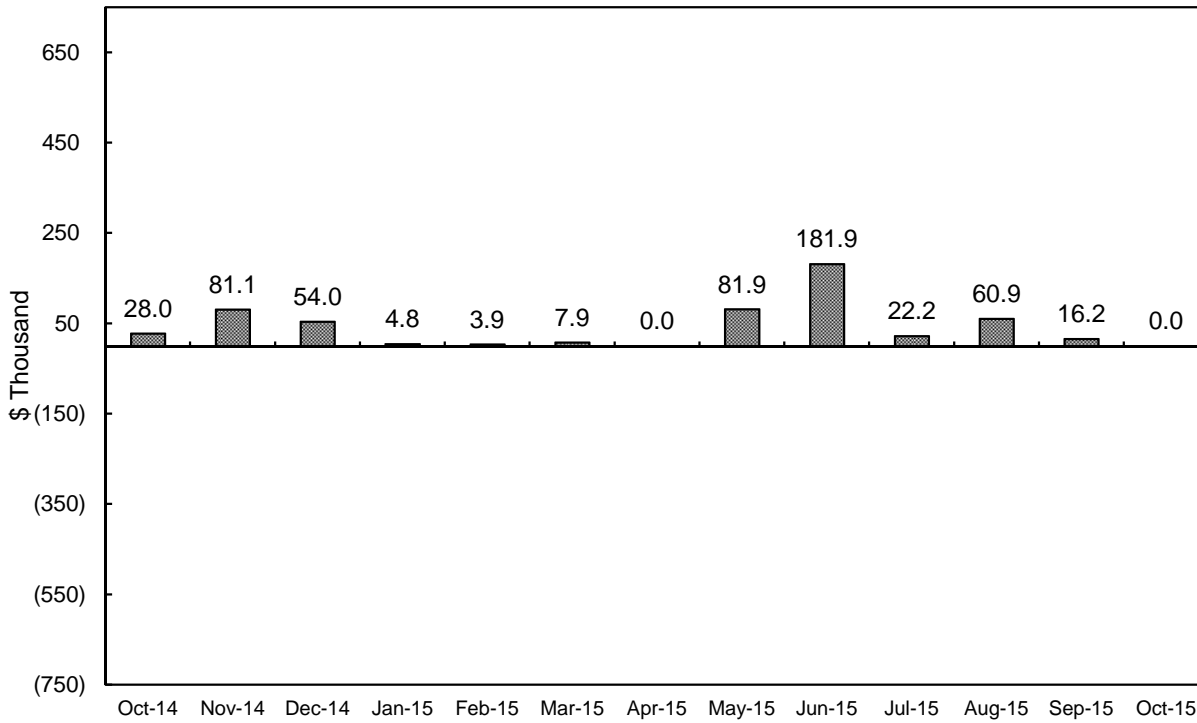
King County Investment Pool History of Fair Value per Dollar Invested (1)



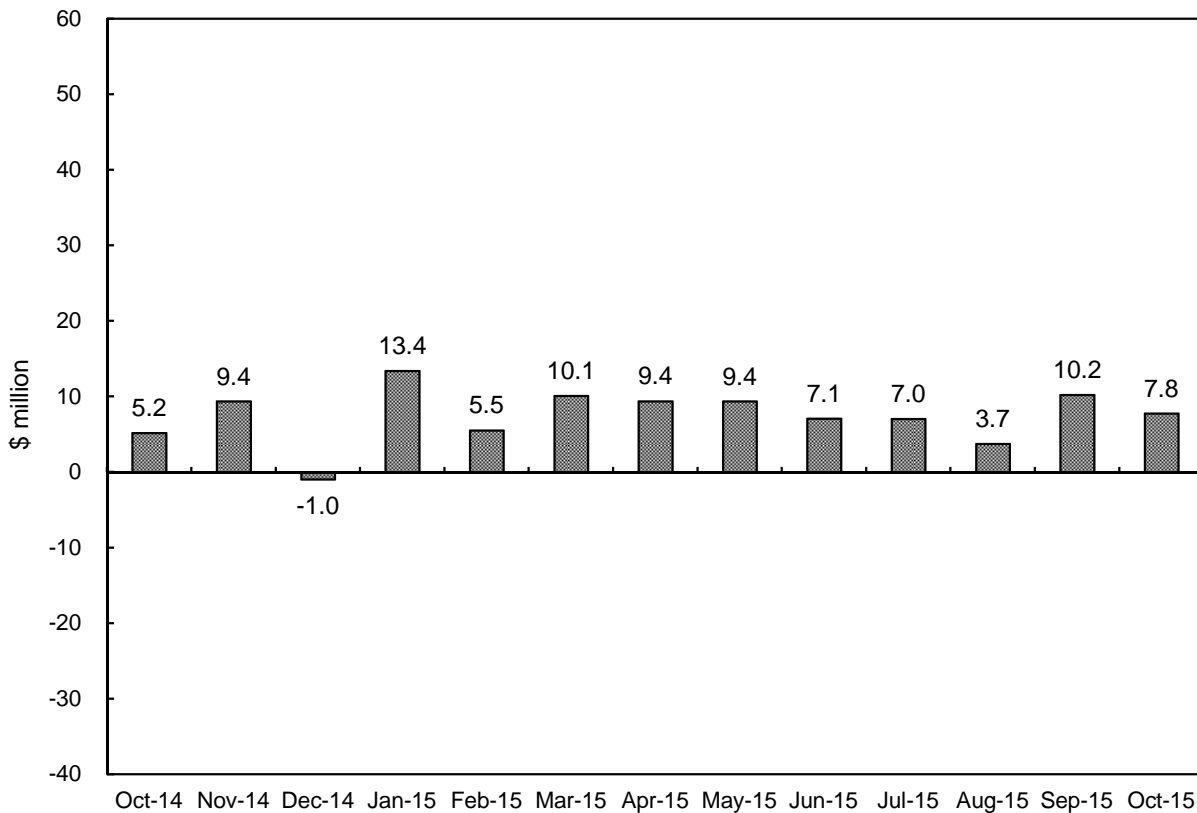
(1) Impaired securities were separated from main pool on 9/1/08

GAIN / LOSS SUMMARY

TOTAL REALIZED GAIN OR LOSS (1)



NET UNREALIZED GAIN OR LOSS (TOTAL PORTFOLIO)



(1) Excludes losses from impaired CP

KING COUNTY TREASURY OPERATIONS
SEATTLE, WASHINGTON

P O R T F O L I O D E T A I L F I N A N C I A L A N A L Y S I S
AS OF 10/31/15

SORTING ORDER: MATD

(MANFIN)

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** FIXED INCOME **

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
711	LOCAL GOVT INVESTM	.187421	.187421	11/01/15	100.000000	456,979,910.91	456,979,910.91	456,979,910.91	.00	856,476.82
1522	CASH-US BANK	.001000	.001000	11/01/15	100.000000	293,559,874.07	293,559,874.07	293,559,874.07	.00	2,935.60
1523	CASH-KEY BANK	.001000	.001000	11/01/15	100.000000	9,532,821.55	9,532,821.55	9,532,821.55	.00	95.33
1524	CASH-BOFA	.001000	.001000	11/01/15	100.000000	324,158.87	324,158.87	324,158.87	.00	3.24
2378	WELLS FARGO TRI PA	.100000	.100000	11/02/15	100.000000	150,000,000.00	150,000,000.00	150,000,000.00	.00	150,000.00
1811	FED FARM CREDIT	.310000	.266823	11/05/15	100.001000	95,938,000.00	95,938,451.72	95,938,959.38	507.66	255,984.65
1641	FFCB Bullet	.330000	.350226	11/13/15	100.003000	50,000,000.00	49,999,668.96	50,001,500.00	1,831.04	175,112.82
2184	FHLB DISCOUNT NT	.000000	.140111	11/19/15	99.999000	53,000,000.00	52,996,290.00	52,999,470.00	3,180.00	74,258.63
1371	FED Home LN Bank	.500000	.509991	11/20/15	100.017000	50,000,000.00	49,999,743.25	50,008,500.00	8,756.75	254,995.30
2373	JOHNSON & JOHNSON	.000000	.060002	11/20/15	99.990500	36,100,000.00	36,098,856.83	36,096,570.50	-2,286.33	21,660.85
2151	FNMA Discount Note	.000000	.170186	12/01/15	99.997000	62,500,000.00	62,491,145.83	62,498,125.00	6,979.17	106,366.02
2300	APPLE INC	.000000	.200107	12/01/15	99.985000	50,000,000.00	49,991,666.66	49,992,500.00	833.34	100,053.37
2345	MICROSOFT CORP	.000000	.160050	12/16/15	99.977500	50,000,000.00	49,990,000.00	49,988,750.00	-1,250.00	80,024.92
2365	Royal BK Canada	.555500	.245643	12/16/15	100.010000	11,100,000.00	11,104,211.47	11,101,110.00	-3,101.47	27,266.35
2014	FED HOME LN BANK	.300000	.225133	12/18/15	100.019000	50,000,000.00	50,004,807.85	50,009,500.00	4,692.15	112,566.38
2342	APPLE INC	.000000	.160064	01/04/16	99.960889	50,000,000.00	49,985,777.78	49,980,444.50	-5,333.28	80,032.01
2357	UNITED PARCEL	.000000	.120030	01/04/16	99.960889	45,000,000.00	44,990,400.00	44,982,400.05	-7,999.95	54,013.68
2383	UNITED PARCEL	.000000	.120026	01/04/16	99.960889	50,000,000.00	49,989,333.33	49,980,444.50	-8,888.83	60,013.20
2352	APPLE INC	.000000	.150051	01/05/16	99.960278	26,871,000.00	26,863,722.44	26,860,326.30	-3,396.14	40,320.10
2176	FED HOME LN BANK	.315000	.215084	01/07/16	100.028000	61,095,000.00	61,106,119.77	61,112,106.60	5,986.83	131,405.66
1814	US Treasury Note	.375000	.313284	01/15/16	100.051000	75,000,000.00	75,009,461.92	75,038,250.00	28,788.08	234,963.36
2189	FFCB DISCOUNT NT	.000000	.180238	01/20/16	99.980000	25,000,000.00	24,990,000.00	24,995,000.00	5,000.00	45,059.48
2004	FED FARM CREDIT	.230000	.265297	01/29/16	99.996000	25,000,000.00	24,997,857.76	24,999,000.00	1,142.24	66,324.25
2094	FED HOME LN BANK	.270000	.273006	02/05/16	100.002000	50,000,000.00	49,999,605.49	50,001,000.00	1,394.51	136,503.07
2190	FFCB DISCOUNT NT	.000000	.200319	02/12/16	99.966000	25,000,000.00	24,985,694.45	24,991,500.00	5,805.55	50,079.85
2192	FFCB DISCOUNT NT	.000000	.200319	02/12/16	99.966000	40,000,000.00	39,977,111.12	39,986,400.00	9,288.88	80,127.76
2171	FED HOME LN BANK	.230000	.251873	02/24/16	99.991000	65,000,000.00	64,995,559.41	64,994,150.00	-1,409.41	163,717.22
2170	FED HOME LN BANK	.220000	.254990	02/26/16	99.988000	72,700,000.00	72,691,912.42	72,691,276.00	-636.42	185,377.97
2172	FHLB DISCOUNT NT	.000000	.230449	02/26/16	99.961000	70,000,000.00	69,947,675.01	69,972,700.00	25,024.99	161,314.34
1820	US TREASURY NOTE	.250000	.356754	02/29/16	100.022000	75,000,000.00	74,973,803.09	75,016,500.00	42,696.91	267,565.62
2150	FHLB Discount Note	.000000	.250564	03/03/16	99.937000	25,000,000.00	24,978,645.83	24,984,250.00	5,604.17	62,640.94
2155	FHLB DISCOUNT NT	.000000	.240524	03/08/16	99.935000	25,000,000.00	24,978,666.67	24,983,750.00	5,083.33	60,131.09
1821	US TREASURY NOTE	.375000	.383341	03/15/16	100.065000	50,000,000.00	49,998,462.55	50,032,500.00	34,037.45	191,670.74
2102	Wells Fargo Bank N	5.600000	.675271	03/15/16	101.773000	8,623,000.00	8,779,768.12	8,775,885.79	-3,882.33	58,228.61
2159	FANNIE MAE	5.000000	.294437	03/15/16	101.741000	56,545,000.00	57,525,531.54	57,529,448.45	3,916.91	166,489.51
2325	BANK NOVA SCOTIA	.950000	.536293	03/15/16	100.180000	20,000,000.00	20,030,600.00	20,036,000.00	5,400.00	107,258.68
2160	FED HOME LN BANK	.310000	.294725	03/22/16	100.008000	47,985,000.00	47,987,839.11	47,988,838.80	999.69	141,423.67
2161	FANNIE MAE	.500000	.294589	03/30/16	100.113000	37,936,000.00	37,967,925.78	37,978,867.68	10,941.90	111,755.19
1306	US Treasury Note	2.375000	.559423	03/31/16	100.881000	50,000,000.00	50,370,723.44	50,440,500.00	69,776.56	279,711.74
2154	FFCB DISCOUNT NT	.000000	.280773	04/04/16	99.919000	35,000,000.00	34,957,805.56	34,971,650.00	13,844.44	98,270.58
2384	FFCB DISCOUNT NT	.000000	.260299	04/06/16	99.918000	35,000,000.00	34,960,313.89	34,971,300.00	10,986.11	91,104.63
2178	FED HOME LN BANK	.300000	.300000	04/14/16	99.984000	71,900,000.00	71,900,000.00	71,888,496.00	-11,504.00	215,700.00

KING COUNTY TREASURY OPERATIONS
SEATTLE, WASHINGTON

P O R T F O L I O D E T A I L F I N A N C I A L A N A L Y S I S
AS OF 10/31/15

SORTING ORDER: MATD

(MANFIN)

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** FIXED INCOME **

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
2179	FRE DISCOUNT NT	.000000	.255646	04/19/16	99.911000	50,000,000.00	49,939,791.68	49,955,500.00	15,708.32	127,823.23
2194	FFCB DISCOUNT NT	.000000	.280769	04/20/16	99.910000	33,000,000.00	32,956,110.01	32,970,300.00	14,189.99	92,653.67
1807	US TREASURY NOTE	.250000	.450171	05/15/16	99.953000	100,000,000.00	99,893,239.53	99,953,000.00	59,760.47	450,171.46
2044	WELLS FARGO BANK	5.750000	.857155	05/16/16	102.759000	20,000,000.00	20,524,063.94	20,551,800.00	27,736.06	171,430.94
2135	WELLS FARGO BANK	5.750000	.719294	05/16/16	102.759000	26,369,000.00	27,078,400.27	27,096,520.71	18,120.44	189,670.70
2232	WELLS FARGO BANK	5.750000	.699124	05/16/16	102.759000	10,000,000.00	10,270,961.39	10,275,900.00	4,938.61	69,912.40
1270	US TREASURY NB	1.750000	.831311	05/31/16	100.814000	50,000,000.00	50,261,484.44	50,407,000.00	145,515.56	415,655.35
2358	WELLS FARGO BANK	.479000	.438537	06/02/16	99.996000	60,000,000.00	60,014,203.54	59,997,600.00	-16,603.54	263,122.01
2360	JP MORGAN CHASE	5.875000	.914642	06/13/16	102.978000	15,025,000.00	15,480,305.45	15,472,444.50	-7,860.95	137,424.90
1735	US TREASURY NOTE	.500000	.480836	06/15/16	100.096000	50,000,000.00	50,005,904.31	50,048,000.00	42,095.69	240,417.96
2374	FFCB DISCOUNT NT	.000000	.320658	06/16/16	99.851000	50,000,000.00	49,898,666.66	49,925,500.00	26,833.34	160,329.21
2336	Bank of Nova Scoti	.000000	.552244	06/20/16	99.742222	50,000,000.00	49,822,777.78	49,871,111.00	48,333.22	276,122.12
1266	US Treasury Note	1.500000	.923065	06/30/16	100.754000	50,000,000.00	50,186,998.20	50,377,000.00	190,001.80	461,532.37
1576	Fannie Mae	.375000	.486095	07/05/16	100.012000	50,000,000.00	49,962,788.22	50,006,000.00	43,211.78	243,047.54
2380	FRE DISCOUNT NT	.000000	.310666	07/05/16	99.831000	86,730,000.00	86,545,530.11	86,583,426.30	37,896.19	269,440.72
1637	US TREASURY NOTE	.625000	.499554	07/15/16	100.171000	50,000,000.00	50,043,804.78	50,085,500.00	41,695.22	249,776.94
2266	Royal BK Canada	2.300000	.680301	07/20/16	101.173000	25,000,000.00	25,288,379.46	25,293,250.00	4,870.54	170,075.29
2375	FFCB DISCOUNT NT	.000000	.350907	07/21/16	99.820000	100,000,000.00	99,744,305.56	99,820,000.00	75,694.44	350,907.48
1575	US Treasury Note	1.500000	.438090	07/31/16	100.820000	50,000,000.00	50,393,770.97	50,410,000.00	16,229.03	219,045.02
1801	US TREASURY NOTE	1.500000	.557366	07/31/16	100.820000	50,000,000.00	50,349,694.01	50,410,000.00	60,305.99	278,682.90
2362	FFCB DISCOUNT NT	.000000	.320813	08/03/16	99.794000	44,000,000.00	43,892,053.33	43,909,360.00	17,306.67	141,157.60
2385	FFCB DISCOUNT NT	.000000	.361051	08/16/16	99.784000	100,000,000.00	99,711,000.00	99,784,000.00	73,000.00	361,050.66
1365	FREDDIE MAC	2.000000	.668799	08/25/16	101.259000	25,000,000.00	25,267,481.29	25,314,750.00	47,268.71	167,199.70
1262	US TREASURY NB	1.000000	.871176	08/31/16	100.470000	25,000,000.00	25,026,210.93	25,117,500.00	91,289.07	217,794.09
1803	US TREASURY NOTE	1.000000	.606917	08/31/16	100.470000	50,000,000.00	50,161,869.21	50,235,000.00	73,130.79	303,458.26
2353	FFCB DISCOUNT NT	.000000	.341050	09/06/16	99.732000	90,000,000.00	89,736,500.00	89,758,800.00	22,300.00	306,945.05
2376	FFCB DISCOUNT NT	.000000	.391331	09/07/16	99.731000	50,000,000.00	49,831,541.67	49,865,500.00	33,958.33	195,665.59
2322	ROYAL BK CANADA	1.450000	.790026	09/09/16	100.707000	12,520,000.00	12,590,220.24	12,608,516.40	18,296.16	98,911.23
1973	US TREASURY NOTE	.875000	.579699	09/15/16	100.371000	50,000,000.00	50,127,916.07	50,185,500.00	57,583.93	289,849.72
2368	FFCB DISCOUNT NT	.000000	.351109	09/16/16	99.723000	71,000,000.00	70,779,111.11	70,803,330.00	24,218.89	249,287.68
2351	FFCB DISCOUNT NT	.000000	.341092	09/19/16	99.721000	65,000,000.00	64,801,713.89	64,818,650.00	16,936.11	221,709.84
2386	FFCB DISCOUNT NT	.000000	.401481	09/26/16	99.715000	35,000,000.00	34,871,666.67	34,900,250.00	28,583.33	140,518.36
1263	US TREASURY NB	1.000000	1.014087	09/30/16	100.506000	50,000,000.00	49,993,712.34	50,253,000.00	259,287.66	507,043.32
2229	PNC BANK NA	1.300000	.934383	09/03/16C	100.473000	19,868,000.00	19,932,338.76	19,961,975.64	29,636.88	185,643.30
2282	PNC BANK NA CALLAB	1.300000	1.012218	09/03/16C	100.473000	23,500,000.00	23,560,455.68	23,611,155.00	50,699.32	237,871.15
2367	FFCB DISCOUNT NT	.000000	.371340	10/12/16	99.688000	51,000,000.00	50,818,638.33	50,840,880.00	22,241.67	189,383.20
1974	US TREASURY NOTE	.625000	.630770	10/15/16	100.163000	25,000,000.00	24,998,629.40	25,040,750.00	42,120.60	157,692.38
2186	US TREASURY NOTE	.625000	.455557	10/15/16	100.163000	50,000,000.00	50,080,418.28	50,081,500.00	1,081.72	227,778.69
2273	TORONTO DOM BANK	2.375000	.887240	10/19/16	101.549000	8,000,000.00	8,113,714.75	8,123,920.00	10,205.25	70,979.20
2313	TORONTO DOM BANK	2.375000	.840369	10/19/16	101.549000	15,760,000.00	15,991,988.78	16,004,122.40	12,133.62	132,442.15
2372	FHLE DISCOUNT NT	.000000	.371389	10/27/16	99.675000	17,700,000.00	17,634,328.08	17,642,475.00	8,146.92	65,735.93
2117	BANK OF AMERICA	1.125000	1.050048	11/14/16	100.241000	28,765,000.00	28,786,979.71	28,834,323.65	47,343.94	302,046.35

KING COUNTY TREASURY OPERATIONS
SEATTLE, WASHINGTON

P O R T F O L I O D E T A I L F I N A N C I A L A N A L Y S I S
AS OF 10/31/15

SORTING ORDER: MATD

(MANFIN)

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** FIXED INCOME **

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
2139	BANK OF AMERICA	1.125000	1.053146	11/14/16	100.241000	4,900,000.00	4,903,589.34	4,911,809.00	8,219.66	51,604.14
1496	Fannie Mae	1.375000	.712951	11/15/16	100.905000	50,000,000.00	50,339,119.16	50,452,500.00	113,380.84	356,475.65
1802	US TREASURY NOTE	.875000	.727966	11/30/16	100.424000	50,000,000.00	50,078,524.66	50,212,000.00	133,475.34	363,983.16
2174	US TREASURY NOTE	.500000	.448250	11/30/16	100.012000	50,000,000.00	50,027,789.33	50,006,000.00	-21,789.33	224,124.88
2333	BANK NOVA SCOTIA	1.100000	.963820	12/13/16	100.205000	20,000,000.00	20,030,072.81	20,041,000.00	10,927.19	192,764.00
2379	BANK NOVA SCOTIA	1.100000	.789214	12/13/16	100.205000	18,186,000.00	18,248,526.13	18,223,281.30	-25,244.83	143,526.41
2175	US TREASURY NOTE	.625000	.464052	12/15/16	100.142000	50,000,000.00	50,089,719.65	50,071,000.00	-18,719.65	232,026.09
1391	FED FARM CREDIT CA	.720000	.743987	12/27/12C	100.001000	50,000,000.00	50,000,000.00	50,000,500.00	500.00	371,993.52
1640	FHLB Note	.625000	.717911	12/28/16	100.090000	40,000,000.00	39,957,514.33	40,036,000.00	78,485.67	287,164.36
1963	US TREASURY NOTE	.875000	.779310	12/31/16	100.432000	50,000,000.00	50,055,068.26	50,216,000.00	160,931.74	389,654.98
1795	US TREASURY NOTE	.750000	.771540	01/15/17	100.286000	50,000,000.00	49,987,131.55	50,143,000.00	155,868.45	385,770.20
2314	ROYAL BK CANADA	1.200000	1.046316	01/23/17	100.289000	7,730,000.00	7,744,414.89	7,752,339.70	7,924.81	80,880.22
2323	ROYAL BK CANADA	1.200000	1.076306	01/23/17	100.289000	1,697,000.00	1,699,544.99	1,701,904.33	2,359.34	18,264.92
2370	ROYAL BK CANADA	1.200000	.928965	01/23/17	100.289000	34,067,000.00	34,179,103.74	34,165,453.63	-13,650.11	316,470.45
1497	Fannie Mae	1.250000	.756002	01/30/17	100.832000	50,000,000.00	50,303,188.50	50,416,000.00	112,811.50	378,000.93
1962	US TREASURY NOTE	.875000	.809510	01/31/17	100.444000	60,000,000.00	60,048,460.18	60,266,400.00	217,939.82	485,706.14
2227	BANK OF AMERICA	1.250000	1.188753	02/14/17	100.243000	40,000,000.00	40,030,944.93	40,097,200.00	66,255.07	475,501.23
1757	US TREASURY NOTE	.625000	.901704	02/15/17	100.103000	50,000,000.00	49,823,989.86	50,051,500.00	227,510.14	450,851.94
1756	US TREASURY NOTE	.875000	.922329	02/28/17	100.423000	50,000,000.00	49,969,043.62	50,211,500.00	242,456.38	461,164.33
1414	US TREASURY NOTE	1.000000	.712736	03/31/17	100.569000	50,000,000.00	50,199,443.40	50,284,500.00	85,056.60	356,368.14
1765	US TREASURY NOTE	.875000	.974227	04/30/17	100.374000	50,000,000.00	49,927,075.24	50,187,000.00	259,924.76	487,113.30
2263	TORONTO DOMINION B	1.125000	1.058958	05/02/17	99.983000	18,200,000.00	18,217,744.45	18,196,906.00	-20,838.45	192,730.38
1766	US TREASURY NOTE	.625000	1.018173	05/31/17	99.970000	50,000,000.00	49,695,128.49	49,985,000.00	289,871.51	509,086.45
1609	FHLMC BULLET	1.000000	.977087	06/29/17	100.481000	23,778,000.00	23,786,830.90	23,892,372.18	105,541.28	232,331.75
1613	FHLMC BULLET	1.000000	.963425	06/29/17	100.481000	25,000,000.00	25,014,844.07	25,120,250.00	105,405.93	240,856.13
1734	US TREASURY NOTE	.750000	.950970	06/30/17	100.147000	50,000,000.00	49,835,832.25	50,073,500.00	237,667.75	475,485.12
2371	BANK OF MONTREAL C	1.300000	1.083873	06/14/17C	100.186000	5,560,000.00	5,580,157.57	5,570,341.60	-9,815.97	60,263.35
1369	FREDDIE MAC CALLAB	1.000000	1.022914	07/25/14C	100.423000	50,000,000.00	49,984,277.21	50,211,500.00	227,222.79	511,456.96
1572	US Treasury Note	.500000	.595581	07/31/17	99.699000	50,000,000.00	49,917,626.99	49,849,500.00	-68,126.99	297,790.25
1573	US Treasury Note	.625000	.610249	08/31/17	99.922000	50,000,000.00	50,013,282.21	49,961,000.00	-52,282.21	305,124.36
1745	US TREASURY NOTE	.625000	1.000148	08/31/17	99.922000	50,000,000.00	49,663,503.82	49,961,000.00	297,496.18	500,073.95
1628	Federal Farm Credi	1.125000	1.125000	09/05/17	100.684000	34,900,000.00	34,900,000.00	35,138,716.00	238,716.00	392,625.00
1406	FED HOME LN BANK	.750000	.916458	09/08/17	99.906000	18,980,000.00	18,922,843.26	18,962,158.80	39,315.54	173,943.73
1408	FED HOME LN BANK	.750000	.914838	09/08/17	99.906000	26,415,000.00	26,336,222.64	26,390,169.90	53,947.26	241,654.38
2191	US BANK NA OHIO CA	1.375000	1.087077	08/11/17C	100.252000	25,000,000.00	25,130,306.42	25,063,000.00	-67,306.42	271,769.24
2240	US BANK NA CALLABL	1.375000	1.251635	08/11/17C	100.252000	15,000,000.00	15,033,483.45	15,037,800.00	4,316.55	187,745.25
1614	FFCB BULLET	1.550000	1.098833	09/18/17	101.238000	19,200,000.00	19,358,973.16	19,437,696.00	78,722.84	210,975.84
1416	Fannie Mae Callabl	1.000000	1.002055	09/20/13C	100.327000	50,000,000.00	49,998,722.57	50,163,500.00	164,777.43	501,027.27
1724	US TREASURY NOTE	.625000	1.025357	09/30/17	99.781000	50,000,000.00	49,624,901.11	49,890,500.00	265,598.89	512,678.56
1744	US TREASURY NOTE	.625000	1.034441	09/30/17	99.781000	50,000,000.00	49,616,424.09	49,890,500.00	274,075.91	517,220.54
1615	FHLB BULLET	1.500000	1.134972	10/10/17	100.579000	32,950,000.00	33,177,612.90	33,140,780.50	-36,832.40	373,973.38
2334	ROYAL BK CANADA	1.400000	1.403863	10/13/17	99.854000	15,000,000.00	14,998,859.28	14,978,100.00	-20,759.28	210,579.45

KING COUNTY TREASURY OPERATIONS
SEATTLE, WASHINGTON

P O R T F O L I O D E T A I L F I N A N C I A L A N A L Y S I S
AS OF 10/31/15

SORTING ORDER: MATD

PAGE: 4

RUN: 11/10/15 14:28:23

(MANFIN)

** FIXED INCOME **

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME

1411	FANNIE MAE	.875000	.919048	10/26/17	100.146000	50,000,000.00	49,957,364.56	50,073,000.00	115,635.44	459,523.96
2318	US TREASURY NOTE	.875000	.893174	11/15/17	100.156000	50,000,000.00	49,981,604.58	50,078,000.00	96,395.42	446,587.06
2320	US TREASURY NOTE	1.000000	.906428	12/15/17	100.394000	50,000,000.00	50,097,834.89	50,197,000.00	99,165.11	453,214.00
2276	BANK NOVA SCOTIA C	1.375000	1.499982	11/18/17C	99.697000	25,000,000.00	24,934,869.26	24,924,250.00	-10,619.26	374,995.62
1467	FANNIE MAE	.875000	.872335	12/20/17	100.063000	50,000,000.00	50,002,778.08	50,031,500.00	28,721.92	436,167.35
2321	US TREASURY NOTE	.875000	.931048	01/15/18	100.049000	50,000,000.00	49,938,955.09	50,024,500.00	85,544.91	465,524.21
2103	US Bank NA Callab	1.350000	1.312034	12/26/17C	99.996000	11,500,000.00	11,509,446.33	11,499,540.00	-9,906.33	150,883.87
2120	US BANK NA OHIO CA	1.350000	1.248811	12/26/17C	99.996000	27,225,000.00	27,284,625.91	27,223,911.00	-60,714.91	339,988.86
2180	US TREASURY NOTE	1.000000	.838724	02/15/18	100.281000	65,000,000.00	65,236,594.02	65,182,650.00	-53,944.02	545,170.58
2382	US TREASURY NOTE	.750000	.883732	02/28/18	99.697000	50,000,000.00	49,846,065.33	49,848,500.00	2,434.67	441,865.77
2185	FED HOME LN BANK	1.375000	.994011	03/09/18	101.051000	50,800,000.00	51,247,532.09	51,333,908.00	86,375.91	504,957.77
2164	BANK OF AMERICA	1.650000	1.518078	03/26/18	99.838000	25,000,000.00	25,077,029.01	24,959,500.00	-117,529.01	379,519.53
2165	BANK OF AMERICA	1.650000	1.507939	03/26/18	99.838000	20,000,000.00	20,066,376.07	19,967,600.00	-98,776.07	301,587.79
2264	BANK OF MONTREAL C	1.450000	1.593072	03/09/18C	99.568000	15,376,000.00	15,323,684.48	15,309,575.68	-14,108.80	244,950.69
2381	US TREASURY NOTE	.625000	.924096	04/30/18	99.229000	50,000,000.00	49,631,668.01	49,614,500.00	-17,168.01	462,047.79
1577	Freddie Mac Callab	.950000	1.036413	05/22/15C	99.591000	23,800,000.00	23,748,925.15	23,702,658.00	-46,267.15	246,666.22
1578	Freddie Mac Callab	1.125000	1.137421	11/25/13C	100.045000	41,250,000.00	41,237,278.40	41,268,562.50	31,284.10	469,186.13
2222	PNC BANK NA	1.600000	1.622972	05/02/18C	99.818000	30,000,000.00	29,982,705.92	29,945,400.00	-37,305.92	486,891.58
2269	TORONTO DOMINION B	1.750000	1.784038	07/23/18	100.476000	35,000,000.00	34,968,543.10	35,166,600.00	198,056.90	624,413.27
2324	TORONTO DOM BANK	1.750000	1.759103	07/23/18	100.476000	14,529,000.00	14,525,385.91	14,598,158.04	72,772.13	255,580.07
2277	ROYAL BK CANADA	1.800000	1.804127	07/30/18	100.241000	25,000,000.00	24,997,257.29	25,060,250.00	62,992.71	451,031.81
2279	BANK OF MONTREAL	1.800000	1.847154	07/31/18	100.232000	20,000,000.00	19,974,925.00	20,046,400.00	71,475.00	369,430.83
1725	US TREASURY NOTE	1.500000	1.520113	12/31/18	101.190000	50,000,000.00	49,969,211.68	50,595,000.00	625,788.32	760,056.29
2002	US BANK NA OHIO CA	2.125000	2.144078	09/28/19C	100.549000	25,000,000.00	24,982,046.81	25,137,250.00	155,203.19	536,019.57
2121	US BANK NA OHIO CA	2.125000	2.005089	09/28/19C	100.549000	20,000,000.00	20,090,442.47	20,109,800.00	19,357.53	401,017.89
695	FNR 2003-30 LB	5.000000	4.634180	03/25/32	108.222000	1,536,254.59	1,569,829.36	1,662,565.44	92,736.08	71,192.81
701	FNR 2003-33 PT	4.500000	4.255767	05/25/33	108.271000	2,034,157.50	2,065,431.07	2,202,402.67	136,971.60	86,569.00
702	FNR 2003-33 UP	4.500000	4.255767	05/25/33	107.511000	1,453,514.90	1,475,861.55	1,562,688.40	86,826.85	61,858.21
703	FNR 2003-33 PU	4.500000	4.255767	05/25/33	109.041000	1,880,124.30	1,909,029.73	2,050,106.34	141,076.61	80,013.71

G R A N D	T O T A L S	.674770	.569484	AUG 2016	100.164554	6,938,873,816.69	6,942,404,735.84	6,950,156,800.56	7,752,064.72	39,502,121.46
=====										

Victoria Recovery Status as of 10/30/2015

Original Cost	\$51,937,149
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Original Par	\$53,300,000	
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Less Accrued not distributed	\$420,537	
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Adjusted Par	\$52,879,463
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Recovered to date	\$42,050,968	79.5%
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Current Par Amount Outstanding	\$10,828,495
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Current Cost Outstanding	\$9,886,181
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Cash Receipts:

	2008	\$7,990,692.29
	2009	\$6,910,588.46
	2010	\$5,443,668.21
	2011	\$7,793,105.01
	2012	\$4,820,226.87
	2013	\$3,388,703.17
	2014	\$3,696,981.20
	2015	\$2,007,002.80
	Total	\$42,050,968.01

**Impaired Pool
Holdings Report
10/31/2015**

Commercial Paper Issuer	Status	Current Book Value	Estimated Fair Value	Fair Value Adjustment
Mainsail II (1)	Restructured - Cash Out	1,007,642.19	405,000.00	602,642.19
Cheyne Finance (1)	Restructured - Cash Out	787,502.14	507,750.00	279,752.14
Rhinebridge (1)	Restructured - Cash Out	1,885,308.88	1,134,600.00	750,708.88
Victoria Finance (VFNC Trust) (2)	Restructured - Receiving Monthly Cash Payments	10,828,494.99	6,770,486.00	4,058,008.99
		Total	14,508,948.20	8,817,836.00
				5,691,112.20

Fair Value Ratio	0.6078
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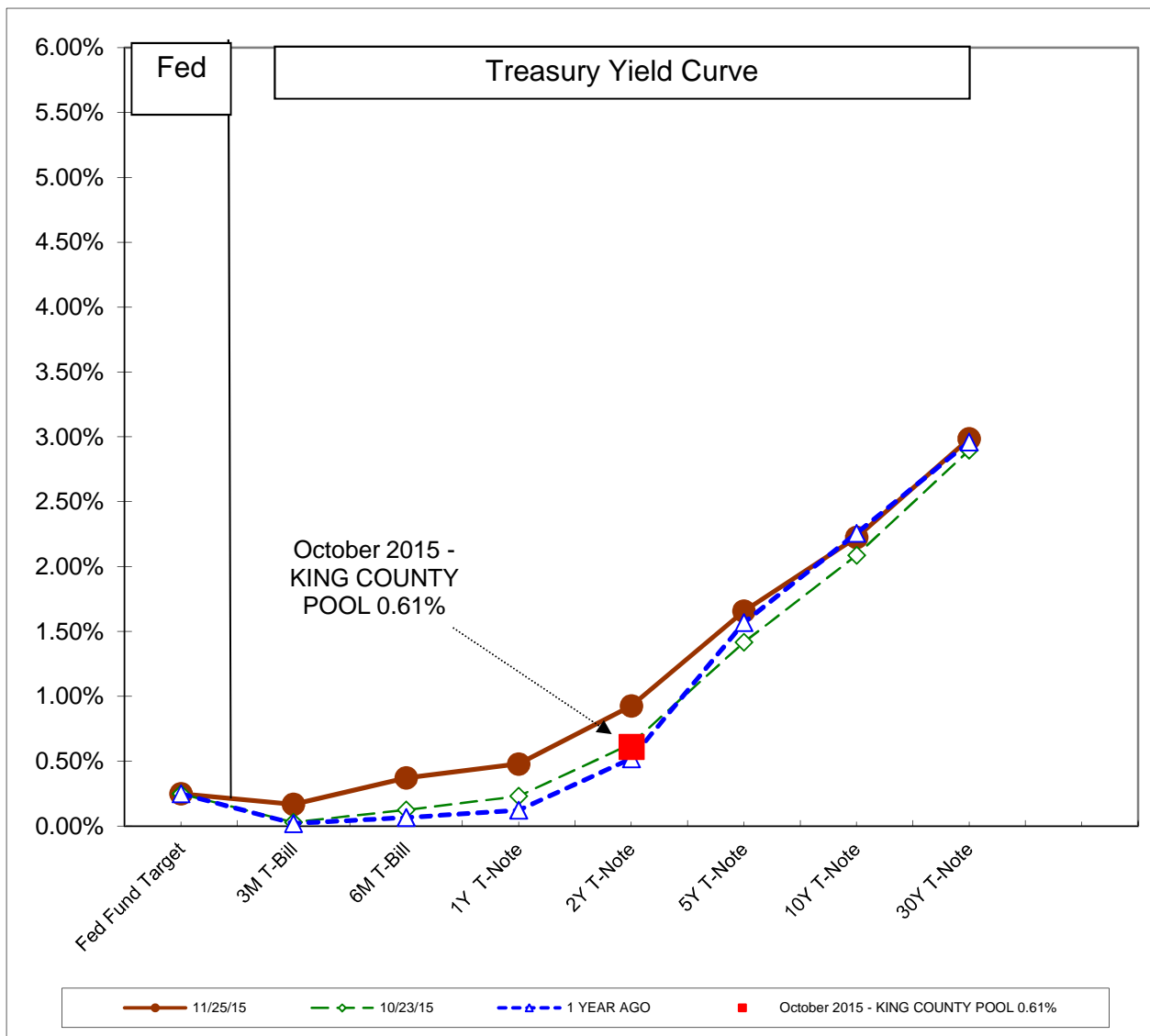
(1) After consulting with the County's financial advisor, the County choose to select the "cash out" option for the Mainsail, Cheyne, and Rhinebridge restructurings. However, the Receivers for these programs held back a portion of the cash for various indemnifications. The fair values shown on this report represent the County's potential cash recovery from the amounts being retained by the Receivers.

(2) During September 2009, the County completed the restructuring process for Victoria Based on consultations with legal and financial experts, the County elected to participate in an "Exchange Offer" in which the County's pro rata share of assets in Victoria were transferred to a new company titled VFNC Trust. At the time of Victoria's restructuring the County's financial advisor estimated that by participating in the exchange offer that the overall recovery rate could be between 50 to 76 percent, and potentially higher. The VFNC Trust investment replaced Victoria in the "impaired pool" and it continues to make monthly cash distributions. It is expected that future monthly distributions will continue for at least 5 or 6 more years, or as long as the underlying securities continue to make cash payments. We do not foresee distributing any realized losses related to Victoria until it is apparent that no further cash flows will be forthcoming. Adding the cash recoveries through October and assuming that the asset could be sold at the quoted dealer price above, the current estimated total recovery would be approximately 92% of the original investment's adjusted par amount.

Pool Earnings Distribution History

	<i>Distributed Losses on Impaired Investments</i>	<i>Pool Earnings Distribution</i>	<i>Net Pool Earnings Distributed</i>
YTD 2015	\$0	\$26,514,639	\$26,514,639
2014	\$0	\$26,330,761	\$26,330,761
2013	\$0	\$24,331,721	\$24,331,721
2012	\$1,204,894	\$25,978,721	\$24,773,827
2011	\$0	\$29,270,651	\$29,270,651
2010	\$0	\$42,160,462	\$42,160,462
2009	\$0	\$71,036,470	\$71,036,470
2008	\$73,296,907	\$135,838,883	\$62,541,976
2007	\$0	\$199,099,971	\$199,099,971
2006	\$0	\$165,576,358	\$165,576,358

INTEREST RATE SUMMARY



	11/25/15	10/23/15	1 YEAR AGO
Fed Fund Target	0.25%	0.25%	0.25%
3M T-Bill	0.17%	0.03%	0.02%
6M T-Bill	0.37%	0.13%	0.07%
1Y T-Note	0.48%	0.23%	0.12%
2Y T-Note	0.93%	0.64%	0.52%
5Y T-Note	1.66%	1.42%	1.57%
10Y T-Note	2.22%	2.09%	2.26%
30Y T-Note	2.99%	2.90%	2.96%

King County Executive Finance Committee

Interfund Borrowing Report for EFC Meeting, Dec 2, 2015 (for Oct-2015)

Below is a summary of the causes of the current deficit cash balances.

Funds listed in Black have a description of the cause of the deficit; funds listed in Blue have an EFC-approved loan in place.

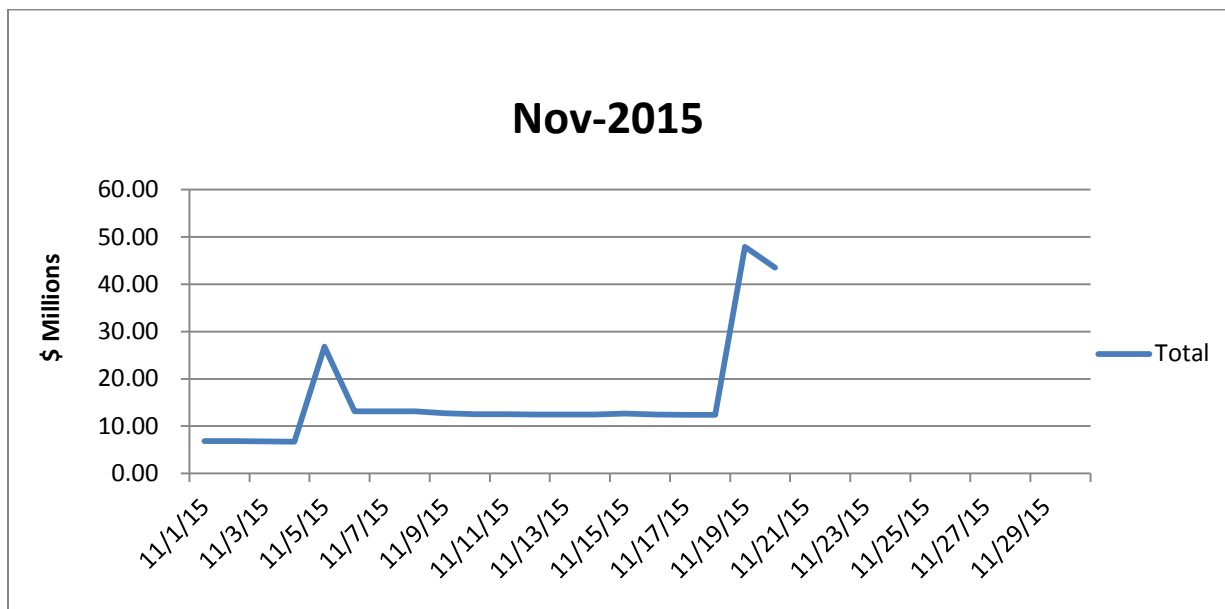
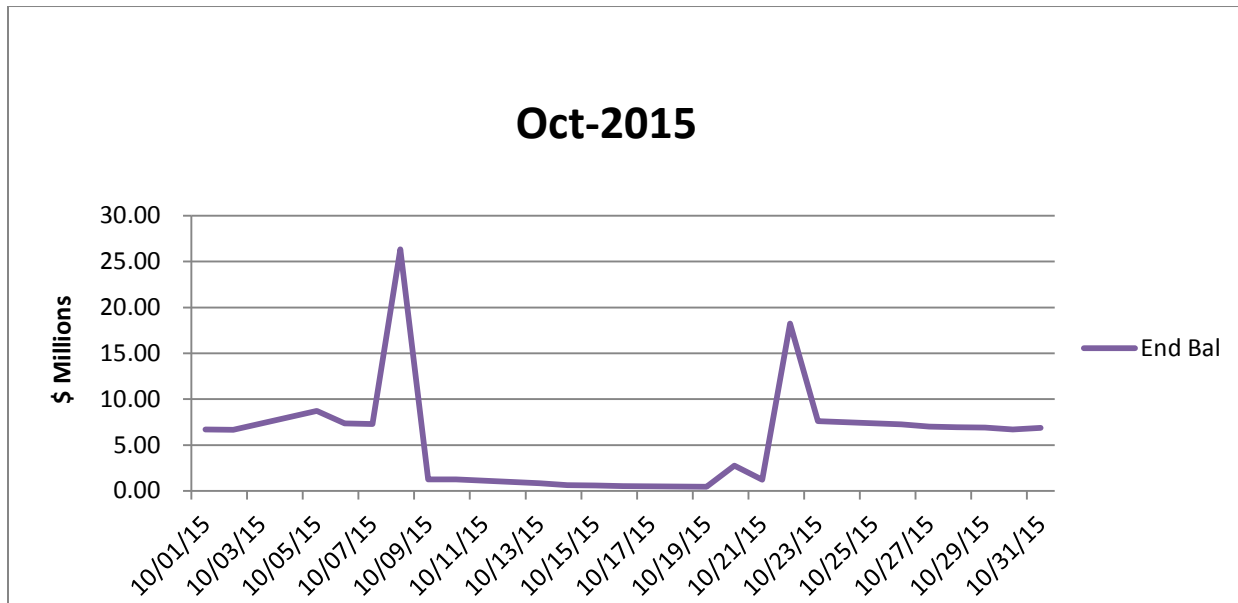
Items in Green have not yet been analyzed or needs to be revisited; items in Red appear unusual in nature and should be discussed during today's meeting;

Interest on Interfund Loans - County Tier 2 Funds Paying Interest					
	Fund No.	AVG Borrowed	Fund Name	Description	
A	00-000-001-0	(65,672,928.30)	GENERAL FUND	Timing of tax receipts posting - ended Oct-15 positive \$40M	
APPRV'D	00-000-180-0	(10,980,314.85)	PUBLIC HEALTH	APPROVED INTERFUND LOAN IN PLACE	
Pooled Tier 1 Funds with Negative Cash Balances					
	Fund No.	Lowest Cash	Average Cash	Fund Name	Description
A	00-000-106-0	(107,350.56)	46,751.86	VETERANS RELIEF	Timing of tax distribution
A	00-000-114-2	(6,091.83)	710,458.62	HUMAN SERVICES LEVY	Timing of tax distribution
C	00-000-121-0	(1,244,421.67)	(371,437.21)	SHARED SERVICES FUND	Pending transfer from 121-1
A	00-000-156-1	(1,062,400.83)	(759,404.51)	KC FLD CNTRL OPR CONTRACT	Timing difference reimbursement from District
B	00-000-316-0	(444,177.34)	(12,532.33)	PARKS RECREATION & OS	Parks discussing options to clear deficit with PSB
APPRV'D	00-000-336-1	(262,849.33)	(215,288.77)	PS EMERG RADIO NETWORK C	APPROVED INTERFUND LOAN IN PLACE - LEVY FUNDED IN 2016
D	00-000-349-0	(417,530.88)	(305,330.65)	FMD-PARKS FACILITY REHAB	Pending REET reimbursement and error correction of \$121K.
C	00-000-352-2	(1,569,451.56)	(1,374,583.46)	OS KC NON BND FND SUBFUND	Pending receipt of grant revenues
E	00-000-357-1	(5,249,985.26)	(2,939,917.37)	KC FLD CNTRL CAP CONTRACT	Lengthy billing and approval process causes timing issues in cash flow.
D	00-000-380-6	(138,876.26)	(138,876.26)	LTGO 2009 SERIES B	Over-collection by FMD to be returned
APPRV'D	00-000-385-0	(2,626,397.63)	(2,534,993.22)	RENTON MAINTENANCE FACIL	APPROVED INTERFUND LOAN IN PLACE - FUTURE LAND SALES PLANNED
D	00-000-395-5	(311,384.90)	(311,384.90)	GEN GOVNT CIP 98-99	Over-collection by FMD to be returned
D	00-000-395-8	(10,135.41)	(10,135.41)	CAPITAL ACQ XCS EARN 96	Over-collection by FMD to be returned
F	00-000-624-3	(103.84)	10,655.33	FEDERAL WAY SD210 IMP FEE	Timing difference - cash positive as of Oct 31.
Excluded County Funds with Negative Cash Balances - Tier 2 Funds Not Paying Interest					
	Fund No.	Lowest Cash	Average Cash	Fund Name	Description
D	00-000-009-9	(16,684.90)	(2,266.36)	DEFAULT BALANCE CLEARING	AR researching miscoded transactions
B	00-000-216-9	(75,094.73)	(67,222.11)	WA ARCHIVES LOC REC GRANT	Pending grant reimbursement
F	00-000-246-0	(1,082,462.76)	(208,864.38)	FED HOUSNG & COMM DEV FN	Timing of receipts and disbursements
F	00-000-668-0	(88,806.16)	42,539.94	AD VALOREM TAX REFUND	Timing difference - pending refunds distribution
F	00-000-670-0	(90,964,331.06)	71,888,013.27	UNDISTRIBUTED TAXES	One day timing difference from tax receipts posting
F	00-000-699-0	(31,927.12)	(9,542.00)	ASSMT DISTRIBTN / REFUND	Timing difference to be fixed in Nov-15 tax distribution

A: Reimbursement funds - reimbursements are collected periodically from other A
 B: Reimbursement funds - pay expenditures first, get reimbursed later, internal to
 C: Subfund cash transfers - different subfunds within one Agency
 D: Known accounting or cash transfer error
 E: Anticipated seasonality of receipts
 F: Timing issue of receipts and disbursements

Thanks - if you have questions please contact me at manny.cristobal@kingcounty.gov

PAYROLL REVOLVING FUND CASH BALANCE



Note: Starting Oct-2015 disbursements out of the revolving fund are being dated on or after the day that cash from other funds gets posted, which normally occurs at each biweekly pay-date. Before, certain payments were being dated back to end of the bi-weekly pay-period which is two weeks prior to the corresponding pay-date.

Negative Cash Output Processing

(District Interfund) Oct-15

District Interfund

Year: 2015 Period: OCT-2015 Fund Type: C, M	Date	11/12/2015
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District	District Descriptions	Average Borrowed	Average Cash	Total	
6414301C	LK WASH SCH CAP PROJ FD	(\$546,101.06)	\$2,236,450.53	(\$6,553,212.78)	< Balance now positive
7035001C	BEAUX ARTS GEN TAX REG FD	(\$350.08)	\$3,466.39	(\$1,750.40)	< City funds no concerns
7045002C	BOTHELL LIFT REV	(\$10.07)	\$2,801.14	(\$30.21)	"
7045851C	BOTHELL G O BOND FUND	(\$47.28)	\$7,423.65	(\$141.84)	"
7164002C	FEDERAL WAY LIFT REV	(\$2.08)	\$278.86	(\$6.24)	"
7309851C	KIRKLAND G O BOND FUND	(\$0.19)	\$15,129.28	(\$0.57)	"
7515851C	REDMOND GO BOND FUND	(\$0.62)	\$0.51	(\$4.34)	"
7554851C	CT OF SNOQUALMIE GO BD	(\$4.96)	\$6,471.12	(\$14.88)	"
7721401C	YARROW POINT DRAINAGE UTIL	(\$1,054.28)	\$1,198.51	(\$8,434.24)	"
9104302C	WATER 104 CIP 2012	(\$96.47)	(\$12.45)	(\$385.88)	< Contacting district
22001001C	DIRECTORS ASSOCIATION	(\$245,200.81)	\$2,217,943.02	(\$245,200.81)	< Balance now positive
38001001C	FERRY DISTRICT FUND	(\$16,781.21)	(\$2,706.65)	(\$83,906.05)	< Correcting posting error
Report Total:		(\$809,649.11)	\$4,488,443.91	(\$6,893,088.24)	

DEFINITION:

Total Borrowed	sum of all daily ending negative cash balances for a fund in a particular month
Average Borrowed	total borrowed by a fund divided by the number of days in a particular month that the fund had a negative ending balance
Average Cash Balance	sum of all ending cash balances (positive & negative) for an entire month divided by the number of days in that month

Interfund Borrowings from Surplus King County Cash (Automated System)
10/31/15

Borrowing Entity	Borrowing Fund Number	Fund Name	Reason For Loan & Repayment Method	Loan Amount Authorized	Fund Balance at Month-end	Average Amount Borrowed	Interest Paid in Current Month	Term of Loan	Loan Rate	Lending Entity	Date of EFC Approval
King County	00-000-1030	County Road Fund	Interim funding to continue operating programs. Repayment from property tax collections.	<u>Original Loan</u> \$20,000,000	\$39,865,027	\$0	\$0	1/31/2011	Pool Rate	King County Surplus Cash	7/28/2010
				<u>Revised Amt:</u> \$20,000,000				12/31/2011			1/26/11
				<u>Revised Amt:</u> \$35,000,000				12/31/2013			12/7/11
				<u>Revised Amt:</u> \$30,000,000				12/31/2014			12/5/12
				<u>Revised Amt:</u> \$25,000,000				12/31/2016			12/4/13
King County	00-000-1341	DPER Abatement Sub-Fund	Clean-up construction materials at processing center on MLK Way South. Repayment from sale of property	<u>Original Loan</u> \$400,000	\$124,042	\$0	\$0	12/31/2018	Pool Rate	King County Surplus Cash	6/24/2015
King County	00-000-1800	Public Health Fund	Unmatched reimbursements. Repayment from grant billings, grantor payments, and environmental health permit payments.	<u>Original Loan</u> \$12,000,000	(\$10,107,531)	\$10,980,315	\$5,689	7/31/2013	Pool Rate	King County Surplus Cash	5/22/13
				<u>Revised Amt:</u> \$19,000,000				10/31/2013			7/24/13
				<u>Revised Amt:</u> \$26,000,000				4/30/14			12/4/13
				<u>Revised Amt:</u> \$30,000,000				12/31/2015			5/28/14
				<u>Revised Amt:</u> \$30,000,000				12/31/2016			12/26/14
King County	00-000-3361	PSERN Levey Fund	Interim funding until levy revenue is sufficient.	<u>Original Loan</u> \$30,000,000	(\$262,849)	\$215,289	\$112	7/31/2016	Pool Rate	King County Surplus Cash	4/22/2015
King County	00-000-3611	WTD Construction Fund	Interim funding until bonds can be issued	<u>Original Loan</u> \$34,500,000	(\$34,289,909)	N/A	N/A	8/31/2015	Pool Rate	King County Surplus Cash	1/28/2015
King County	00-000-3781	KCIT Capital Fund	Fill gap for Mainframe and Unified Communication project not fully covered by bond proceeds.	<u>Original Loan</u> \$5,200,000	\$7,851,779	\$0	\$0	12/31/2019	Pool Rate	King County Surplus Cash	7/22/15
King County	00-000-3850	Road Facilities Construction	Advance payments required for Summit Pit sale. Repayment from Summit Pit property sale proceeds.	<u>Original Loan</u> \$5,000,000	(\$2,626,398)	\$2,534,993	\$1,319	1/31/2011	Pool Rate	King County Surplus Cash	7/28/2010
				<u>Revised Amt:</u> \$7,000,000				12/31/2011			1/26/11
				<u>Revised Amt:</u> \$10,000,000				12/31/2012			12/7/11
				<u>Revised Amt:</u> \$4,000,000				12/31/2014			12/5/12
				<u>Revised Amt:</u> \$4,000,000				12/31/2016			2/27/13
King County	00-000-3860	Road's Capital Construction	Provide uninterrupted funding for capital improvement program. Repayment from property tax receipts and Seattle South Park Bridge project.	<u>Original Loan</u> \$30,000,000	\$12,467,575	\$0	\$0	1/31/2011	Pool Rate	King County Surplus Cash	12/4/13
King County	00-000-3901	SWD Construction Fund	Provide uninterrupted funding for construction program. Repayment from bond proceeds.	<u>Original Loan</u> \$15,000,000	\$6,573,761	\$0	\$0	12/31/2011	Pool Rate	King County Surplus Cash	12/3/14
King County	00-000-3951	Building Repair & Replacement Fund	Support Phase 2 of King Street Center work space consolidation. Repayment from lease payments.	<u>Revised Amt:</u> \$15,000,000				12/31/2012			
Road Improvement District	16-131-3010	RID 131	Road improvements. Repayment from taxpayer assessments	<u>Revised Amt:</u> \$20,000,000				12/31/2014			
								12/31/2016			

Interfund Borrowings (Direct Loans)

Borrowing Entity	Borrowing Fund Number	Fund Name	Reason For Loan & Repayment Method	Loan Amount Authorized	Loan Outstanding at Month-end	Fund Balance At Month-end	Interest Paid	Term of Loan	Loan Rate	Lending Entity	Date of EFC Approval
King County	00-000-2140	Miscellaneous Grants Fund	Cash flow. Future grant reimbursement.	\$700,000	\$300,000	\$3,078,239	\$0	Open	0%	King County General Fund	11/26/1975
King County	00-000-3160	Parks and Recreation Open Space Construction Fund	Borrowing is necessary to fulfill the legislative intent of Ordinance 17759 - a use agreement with the Ravensdale Park Foundation. Repayment from REET II revenue.	\$1,475,000	\$475,000	\$415,918	\$7	12/31/2017	Pool Rate	Parks and Recreation Fund (1451)	3/26/2014
King County	00-000-3781	KCIT Enterprise Services CIP fund	Cover the Institutional Network equipment replacement. Repayment from the I-Net operating revenue and Public Educational and Government fees collected in I-Net operating fund (4531).	\$1,520,000	\$606,869	\$7,851,779	N/A	2/28/2017	Pool Rate	KCIT Radio Communications CIP Fund (3473)	1/25/2012
King County	00-000-3901	SWD Construction Fund	Provide uninterrupted funding for construction program. Repayment from bond proceeds.	\$25,000,000	\$15,000,000	\$6,573,761	N/A	12/31/2015	Pool Rate	SWD Landfill Reserve Fund (3910)	5/27/2015